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TYPE: PRE-Preliminary PUBLIC ☒ NON-PUBLIC ☐
SUB-TYPE: AFF-Affirmative

FR CITE: 81 FR 11747 FR CITE DATE: 03/07/2016

REFERENCE
MESSAGE #
(s):

CASE #(s): A-588-873

EFFECTIVE DATE: 03/07/2016 COURT CASE #:

PERIOD OF REVIEW: TO

PERIOD COVERED: TO

Notice of Lifting of Suspension Date:

TO: { Directors Of Field Operations, Port Directors }

FROM: { Director AD/CVD & Revenue Policy & Programs }

RE: Notice of Preliminary determination of sales at less than fair value and critical circumstances in AD investigation of cold-rolled steel flat products from Japan (A-588-873)

1. On 03/07/2016, Commerce published in the Federal Register (81 FR 11747) its affirmative preliminary determination of sales at less than fair value and critical circumstances in the antidumping investigation of cold-rolled steel flat products from Japan.
2. The products covered by this investigation are described below:

The products covered by this investigation are certain cold-rolled (cold-reduced), flat-rolled steel products, whether or not annealed, painted, varnished, or coated with plastics or other non-metallic substances. The products covered do not include those that are clad, plated, or coated with metal. The products covered include coils that have a width or other lateral measurement ("width") of 12.7 mm or greater, regardless of form of coil (e.g., in successively superimposed layers, spirally oscillating, etc.). The products covered also include products not in coils (e.g., in straight lengths) of a thickness less than 4.75 mm and a width that is 12.7 mm or greater and that measures at least 10 times the thickness. The products covered also include products not in coils (e.g., in straight lengths) of a thickness of 4.75 mm or more and a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular, or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process, i.e., products which have been "worked after rolling" (e.g., products which have been beveled or rounded at the edges). For purposes of the width and thickness requirements referenced above:

(1) where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above, and

(2) where the width and thickness vary for a specific product (e.g., the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, etc.), the measurement at its greatest width or thickness applies.

Steel products included in the scope of this investigation are products in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.00 percent of nickel, or
- 0.30 percent of tungsten (also called wolfram), or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium

Unless specifically excluded, products are included in this scope regardless of levels of boron and titanium.

For example, specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels, high strength low alloy (HSLA) steels, motor lamination steels, Advanced High Strength Steels (AHSS), and Ultra High Strength Steels (UHSS). IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. Motor lamination steels contain micro-alloying levels of elements such as silicon and aluminum. AHSS and UHSS are considered high tensile strength and high elongation steels, although AHSS and UHSS are covered whether or not they are high tensile strength or high elongation steels.

Subject merchandise includes cold-rolled steel that has been further processed in a third country, including but not limited to annealing, tempering, painting, varnishing, trimming, cutting, punching, and/or slitting, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the cold-rolled steel.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this investigation unless specifically excluded. The following products are outside of and/or specifically excluded from the scope of this investigation:

- Ball bearing steels; { SEE FOOTNOTE 1}
- Tool steels; {SEE FOOTNOTE 2}
- Silico-manganese steel; {SEE FOOTNOTE 3}
- Grain-oriented electrical steels (GOES) as defined in the final determination of the U.S. Department of Commerce in Grain-Oriented Electrical Steel From Germany, Japan, and Poland. {SEE FOOTNOTE 4}
- Non-Oriented Electrical Steels (NOES), as defined in the antidumping orders issued by the U.S. Department of Commerce in Non-Oriented Electrical Steel From the People's Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan. {SEE FOOTNOTE 5}

Also excluded from the scope of this investigation is ultra-tempered automotive steel, which is hardened, tempered, surface polished, and meets the following specifications:

- Thickness: less than or equal to 1.0 mm;
- Width: less than or equal to 330 mm;
- Chemical composition:

Element: C

Weight: 0.90-1.05

Element: Si

Weight: 0.15-0.35

Element: Mn

Weight: 0.30-0.50

Element: P

Weight: Less than or equal to 0.03

Element: S

Weight: Less than or equal to 0.006

- Physical properties:

Width less than or equal to 150mm: Flatness of less than 0.2% of nominal strip width

Width of 150 to 330mm: Flatness of less than 5 mm of nominal strip width

- Microstructure: Completely free from decarburization. Carbides are spheroidal and fine within 1% to 4% (area percentage) and are undissolved in the uniform tempered martensite;

- Surface roughness: less than or equal to 0.80 μm Rz;

- Non-metallic inclusion:

Sulfide inclusion less than or equal to 0.04% (area percentage)

Oxide inclusion less than or equal to 0.05% (area percentage); and

- The mill test certificate must demonstrate that the steel is proprietary grade "PK" and specify the following:

The exact tensile strength, which must be greater than or equal to 1600 N/mm²;

The exact hardness, which must be greater than or equal to 465 Vickers hardness number;

The exact elongation, which must be between 2.5% and 9.5%; and

Certified as having residual compressive stress within a range of 100 to 400 N/mm².

The products subject to this investigation are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0070, 7209.16.0091, 7209.17.0030, 7209.17.0060, 7209.17.0070, 7209.17.0091, 7209.18.1530, 7209.18.1560, 7209.18.2510, 7209.18.2520, 7209.18.2580, 7209.18.6020, 7209.18.6090, 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.23.6060, 7211.23.6090, 7211.29.2030, 7211.29.2090, 7211.29.4500, 7211.29.6030, 7211.29.6080, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7225.50.6000, 7225.50.8080, 7225.99.0090, 7226.92.5000, 7226.92.7050, and 7226.92.8050.

The products subject to the investigation may also enter under the following HTSUS numbers:

7210.90.9000, 7212.50.0000, 7215.10.0010, 7215.10.0080, 7215.50.0016, 7215.50.0018, 7215.50.0020, 7215.50.0061, 7215.50.0063, 7215.50.0065, 7215.50.0090, 7215.90.5000, 7217.10.1000, 7217.10.2000, 7217.10.3000, 7217.10.7000, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.19.0000, 7226.19.1000, 7226.19.9000, 7226.99.0180, 7228.50.5015, 7228.50.5040, 7228.50.5070, 7228.60.8000, and 7229.90.1000.

The HTSUS subheadings above are provided for convenience and U.S. Customs purposes only.

The written description of the scope of the investigation is dispositive.

FOOTNOTE 1: Ball bearing steels are defined as steels which contain, in addition to iron, each of the following elements by weight in the amount specified: (i) not less than 0.95 nor more than 1.13 percent of carbon; (ii) not less than 0.22 nor more than 0.48 percent of manganese; (iii) none, or not more than 0.03 percent of sulfur; (iv) none, or not more than 0.03 percent of phosphorus; (v) not less than 0.18 nor more than 0.37 percent of silicon; (vi) not less than 1.25 nor more than 1.65 percent of chromium; (vii) none, or not more than 0.28 percent of nickel; (viii) none, or not more than 0.38 percent of copper; and (ix) none, or not more than 0.09 percent of molybdenum.

FOOTNOTE 2: Tool steels are defined as steels which contain the following combinations of elements in the quantity by weight respectively indicated: (i) more than 1.2 percent carbon and more than 10.5 percent chromium; or (ii) not less than 0.3 percent carbon and 1.25 percent or more but less than 10.5 percent chromium; or (iii) not less than 0.85 percent carbon and 1 percent to 1.8 percent, inclusive, manganese; or (iv) 0.9 percent to 1.2 percent, inclusive, chromium and 0.9 percent to 1.4 percent, inclusive, molybdenum; or (v) not less than 0.5 percent carbon and not less than 3.5 percent molybdenum; or (vi) not less than 0.5 percent carbon and not less than 5.5 percent tungsten.

FOOTNOTE 3: Silico-manganese steel is defined as steels containing by weight: (i) not more than 0.7 percent of carbon; (ii) 0.5 percent or more but not more than 1.9 percent of manganese, and (iii) 0.6 percent or more but not more than 2.3 percent of silicon.

FOOTNOTE 4: Grain-Oriented Electrical Steel From Germany, Japan, and Poland: Final Determinations of Sales at Less Than Fair Value and Certain Final Affirmative Determination of Critical Circumstances, 79 Fed. Reg. 42,501, 42,503 (Dep't of Commerce, July 22, 2014). This determination defines grain-oriented electrical steel as "a flat-rolled alloy steel product containing by weight at least 0.6 percent but not more than 6 percent of silicon, not more than 0.08 percent of carbon, not more than 1.0 percent of aluminum, and no other element in an amount that would give the steel the characteristics of another alloy steel, in coils or in straight lengths."

FOOTNOTE 5: Non-Oriented Electrical Steel From the People's Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan: Antidumping Duty Orders, 79 Fed. Reg. 71,741, 71,741-42 (Dep't of Commerce, Dec. 3, 2014). The orders define NOES as "cold-rolled, flat-rolled, alloy steel products, whether or not in coils, regardless of width, having an actual thickness of 0.20 mm or more, in which the core loss is substantially equal in any direction of magnetization in the plane of the material. The term 'substantially equal' means that the cross grain direction of core loss is no more than 1.5 times the straight grain direction (i.e., the rolling

direction) of core loss. NOES has a magnetic permeability that does not exceed 1.65 Tesla when tested at a field of 800 A/m (equivalent to 10 Oersteds) along (i.e., parallel to) the rolling direction of the sheet (i.e., B800 value). NOES contains by weight more than 1.00 percent of silicon but less than 3.5 percent of silicon, not more than 0.08 percent of carbon, and not more than 1.5 percent of aluminum. NOES has a surface oxide coating, to which an insulation coating may be applied.”

3. This investigation has been assigned investigation number A-588-873.

4. Because Commerce determined that critical circumstances exist for imports of cold-rolled steel flat products from Japan from the producers and/or exporters listed below, CBP shall suspend liquidation of all appropriate entries of cold-rolled steel flat products from Japan that are entered, or withdrawn from warehouse, for consumption on or after 12/08/2015 (90 days before publication of the preliminary determination) which is 90 days before the date of publication of the preliminary determination in the Federal Register. Effective 12/08/2015 (same day), for entries of cold-rolled steel flat products from Japan from the producers and/or exporters listed below, CBP shall require a cash deposit equal to the following dumping margins:

Producer and/or Exporter: JFE Steel Corporation

Case number: A-588-873-001

Cash deposit rate: 71.35%

Producer and/or Exporter: Nippon Steel & Sumitomo Metal Corporation

Case number: A-588-873-002

Cash deposit rate: 71.35%

5. Commerce found that critical circumstances do not exist for imports of cold-rolled steel flat products from Japan from the producers and/or exporters listed below. For imports of cold-rolled steel flat products from Japan from the producers and/or exporters listed below CBP shall suspend liquidation of such entries which were entered, or withdrawn from warehouse, for consumption on or after 03/07/2016 (date of publication of the preliminary determination). Effective 03/07/2016 (same day), for entries of cold-rolled steel flat products from Japan from the producer and/or exporter listed below, CBP shall require a cash deposit equal to the following dumping margins:

All Others

Case number: A-588-873-000

Cash deposit rate: 71.35%

6. If any entries of this merchandise are exported by a firm other than the producer, then the following instructions apply:

A. If the exporter of the subject merchandise does not have its own rate but the producer has its own rate, the cash deposit or bonding rate will be the producer's rate.

B. Where neither the exporter nor the producer has its own rate or the producer is unknown, use the all-others rate of 71.35 percent to establish the cash deposit.

7. If there are any questions by the importing public regarding this message, please contact the Call Center for the Office of AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, at (202) 482-0984. CBP ports should submit their inquiries through authorized CBP channels only. (This message was generated by OIV:TT.)

8. There are no restrictions on the release of this information.

Alexander Amdur

Company Details

*Party Indicator Value:

I = Importer, M = Manufacturer, E = Exporter, S = Sold To Party